IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX APPLICATION No 384 of 1999

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE M.S.SHAH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME TAX

Versus

SAHYOG INVESTMENTS P. LTD.

Appearance:
MR BB NAIK for Applicant
MR RK PATEL for Respondent

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE M.S.SHAH

Date of decision: 05/04/2000

ORAL JUDGEMENT (Per A.R. Dave, J.)

Heard learned advocate Shri BB Naik appearing for

the applicant and learned advocate Shri RK Patel appearing for the respondent-assessee.

It has been submitted by the learned advocates that similar questions had arisen before this Court in Income Tax Application No. 17 of 1999 and after hearing the concerned parties, this Court had reframed the following two questions and had directed the Tribunal to refer the said questions of law for the opinion of this Court.

"1. Whether in the facts and circumstances of the case, the Appellate Tribunal is right in law that the interest on debentures issued by Companies other than local authority, Company or Corporation established by a Central, State or Provincial Act is not liable to be computed as income under the head `interest on securities' ?

2. Whether interest on debentures in all circumstances is liable to be considered income only when received by the assessee and not when it became due ?"

In the circumstances, we also hereby frame the above referred two questions and allow the application with a direction to the Tribunal to submit the statement of facts and send the same for the opinion of this Court.

The application stands disposed of accordingly. Rule is made absolute with no order as to costs.

(A.R. Dave, J.)

April 5, 2000 (M.S. Shah, J.)
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